

**Semi-Annual Report**  
**SOUTH AFRICA POST ELECTION CONSOLIDATION**  
**TRANSPARENT, ACCOUNTABLE, AND PARTICIPATORY GOVERNANCE**

**USAID Grant Agreement No. 674-0301-A-SS-6056-00**  
**October 1, 1998 through March 31, 1999**

## **I. SUMMARY**

In September 1996, the National Democratic Institute for International Affairs (NDI) entered into a cooperative agreement {674-0301-A-SS-6056-00} with USAID/South Africa to support the consolidation of democracy and the enhancement of transparent and accountable government in South Africa. This agreement is a follow-on agreement to the 1994-96 post-election grant, Political Parties in Parliament {674-0301G-SS-4157-)). It allows NDI to build upon and expand the scope of its previous assistance to national and provincial parliaments, local government structures, and the Ministry of Constitutional Development and Provincial Affairs. Under the terms of the cooperative agreement, NDI reports its program results to USAID on a biannual basis to inform the Mission's Intermediate Result 1.4.2, *Strengthened capacity of elected institutions to promote and incorporate constituency interests and public participation.*

In September 1998, NDI and USAID amended the current cooperative agreement. The amendment enables NDI to continue its support of South Africa's democratic institutions through January 31, 2001. Under the amendment, NDI will continue to work with the National Council of Provinces (NCOP), the Department of Constitutional Development and Provincial Affairs (DCD), and the South African Local Government Association (SALGA). In addition, NDI will continue its collaboration with selected South African non-governmental partners.

This biannual report begins with a summary of NDI's key results this period, followed by the more detailed Attachment 8" forms the Institute uses to measure the impact of its work under IR 1.4.2 The final section of the report provides information about significant program developments, management changes, and NDI's working relationship with USAID during the reporting period.

## **II. KEY RESULTS**

*This section is intended to highlight several key results. A detailed overview of activities is included in the Attachment 8s.*

NDI's assistance to the NCOP and SALGA, as well as support for the discussion of intergovernmental relations, has resulted in several cross-cutting high level results that strengthen the principle of cooperative governance as outlined in Chapter 3 of the South African Constitution. These

contribute directly to the Intermediate Result “*strengthened capacity of elected institutions to promote and incorporate constituency interests and public participation.*”

## **Local Government**

NDI's support to the NCOP and SALGA has resulted in a major step forward in further developing a participatory policy process and opening channels of public participation. Specifically, based on resolutions taken at a national NCOP conference sponsored by NDI in November, local governments across the country are making provision for their active participation in provincial government structures, most notably the provincial legislatures. At the close of the reporting period, at least three of the nine provinces had taken steps to allow for local government representation in the provincial legislatures, and more were expected to do so after elections. The motivation for this is two-pronged: to increase local government's ability to influence policy and legislation, and to use local government structures as a channel of information to the public. This development evolved in the course of NDI's assistance to SALGA's NCOP delegation.

*"We were very cautious about our role in the NCOP in the beginning because we didn't think local government would be given the space to have a meaningful role. As SALGA, we were coming in cold with little understanding of the legislative process in the NCOP, we were incapacitated in terms of infrastructure, technical support and we had to learn the ropes, rules and procedure as we went along. There were also some reservations among local government because of the fact that SALGA didn't have a vote in the NCOP. But through experience, we learned that the vote doesn't carry as much weight as our ability to mobilise support around our interests. Within a short period of time, we as SALGA have also been able to get up to speed with the NCOP and an understanding of its role as an institution, the legislative process. Thanks to the assistance of the National Democratic Institute and its support from the beginning to our delegates, we were able to speed up our learning process--to understand the rules of procedures in the NCOP, how it works, and have more confidence in participating within the NCOP. We have also now acquired an office, and legislative support and infrastructure in Cape Town. It is important that we have managed to overcome some of our weaknesses early in the process."*

*Mr. Collin Matjila, SALGA Chairperson and Chairperson of the Johannesburg Metropolitan Council.*

In recent months, SALGA has demonstrated its increasing ability to influence legislation and policy. The particular impact of NDI's support to SALGA is evident in the Association's recent handling of the Municipal Systems bill, in which it successfully persuaded DCD to make substantial revisions to the proposed legislation. In the previous year, SALGA's impact on key legislation -- such as the Division of Revenue bill -- was not so easily discernible. NDI has worked for several months to assist SALGA in

building capacity to contribute to and influence government policy, and two specific NDI activities enabled SALGA to formulate a position that is now reflected in this bill. The first activity was through support to academics at the University of the Western Cape, Nico Steytler and Johann Mettler [CHECK SPELLING], as part of NDI's intergovernmental relations subgrant to UWC. The second NDI intervention was through a workshop that brought SALGA's executive committee and other stakeholders together to review and propose revisions to DCD's draft bill. At the workshop, Prof. Steytler and Mr. Mettler presented discussion papers on Section 139, the constitutional provision on provincial intervention into local government. As evidenced by these activities, SALGA's efforts, with some support from NDI, have assisted the Association in coming closer to fulfilling its legal mandate as the "voice of organised local government."

## **National Council Of Provinces**

NDI's support program to the NCOP has significantly improved the capacity of the House to manage legislation and provide a forum for provincial and local contributions to national policy. The national NCOP conference in November, attended by nearly 200 high level representatives from the NCOP, provincial legislatures (including several Speakers) and local government, provided a specific political and administrative mandate to further develop the capacities of the NCOP to conduct legislative oversight and formalize public participation (see program development section below).

*"In KwaZulu Natal, we are very happy with our ability to impact national legislation through the NCOP. We feel we've been able to make a positive impact, and I've been extremely impressed by the cooperation and communication across party lines. I think that it's clear that improvements (in the legislation) have been made by provinces who bring experience and awareness of how the bill is going to be implemented. As long as departments are willing to listen and incorporate those inputs, the NCOP will be considered to be fulfilling that part of its constitutional mandate."*

*Mr Philip Powell, IFP Member, KwaZulu Natal Provincial Parliament*

The publication and distribution by NDI of a comparative study of the operations of provincial legislatures with respect to the NCOP served as a catalyst to improving the effectiveness of their participation. While the results of this support will become clear when a new NCOP sits after the June elections, some impact is evident now:

*"This publication is going to be of enormous assistance to us in KwaZulu Natal as we attempt to formalise our internal processes for dealing with national legislation. It is such a relief to know that we don't have to start from scratch, we can build upon the experiences in other legislatures who are struggling with the same issues."*

*Mr. J.H. Jeffrey, ANC Member, KwaZulu Natal Provincial Parliament.*

Another key publication , The NCOP in Review, was completed during this reporting period. It was launched at the Gauteng Legislature by NCOP Chairperson Patrick Lekota, Gauteng Legislature Speaker Trevor Fowler and SALGA Chairperson Colin Matjila. More than 6,000 copies of the publication will be distributed to citizens across the country, contributing to an increased public awareness of the second House of Parliament. (see attached newspaper article)

## **Intergovernmental Relations**

NDI's support of dialogue inside and outside government on intergovernmental relations (IGR) has led to a surprising but important result. Until very recently, DCD was expected to draft landmark legislation on IGR that would attempt to regulate interactions between and among the three spheres of government. But based on international technical assistance, research and political discussions about the issue over the last two years, DCD Minister M. Valli Moosa announced in April that the government had decided to postpone development of a comprehensive policy in the area in favor of what he described as an "organic process" of letting intergovernmental political and administrative relationships and procedures develop by convention. This was recommended by several technical experts whose inputs were funded by NDI, including Professor Ronald Watts of Canada and Professor Chris Tapscott of the University of the Western Cape (UWC). Prof. Tapscott's recommendation was based in part on research he has conducted through NDI's subgrant to UWC, including study missions to Spain (September 1998) and India (January 1999).

The India trip included members of the National Assembly Portfolio Committee on Constitutional Affairs, including its chairman, Yunus Carrim. The lessons learned from Spain and India were deemed important enough that Hon. Carrim in March called a special joint session of his committee and the corresponding NCOP committee to hear from Prof. Tapscott. In his testimony, Prof. Tapscott highlighted the Spain and India visits. On Spain, Prof. Tapscott pointed to the vast number of constitutional court challenges (more than 800 in 40 years) that have taken place specifically because of strict legal intergovernmental measures, saying the expense and effort could have been avoided by opting for evolution development of IGR rather than legislation. Prof. Tapscott commented on the Indian experience with respect to the current proliferation of interest in IGR structures in that country. The renewed interest in IGR there coincides with the dissolution of the decades-long Congress Party domination of national government, and Tapscott suggested to the committee that prior to the changeover in the ruling party government the IGR structures were not relevant. He further suggested that in the South African political context, it would make more sense to allow political and administrative powers to determine these relationships. The committee testimony is significant because it reflects the high priority this issue is given in government (indeed, a national conference on IGR in April was attended by Deputy President Thabo Mbeki and all nine provincial premiers). It also reflects on the bridges of cooperation and communication that have been built through NDI's subgrant to UWC.

## Voter Education in the 1999 Elections

NDI, working with its subgrant partner Street Law, contributed to a more informed electoral process in 1999 through a focus group study that helped NGOs determine their voter education strategies. At the request of the Independent Electoral Commission (IEC), NDI and Street Law conducted focus groups in five of South Africa's nine provinces in October and November to determine the attitudes of citizens toward voting, political party conduct and voter education. The survey provided insights into the preferred methods of voter education and the expectations of political parties in campaigning. Once IEC officials had reviewed the document, NDI and Street Law distributed the report and provided briefings to political parties and NGOs, including USAID grantee IFES, the International Foundation for Electoral Systems. More than 200 copies were to be distributed at an IEC national conference in April. While the impact of this study will be more clear once voter education campaigns are underway, it has already played a role in stimulating thinking:

*"Many thanks for the report. It has come in a timely fashion. We have just finished negotiations with NGOs in the Northern Province on voter education and I will be meeting with them again to focus on action plans. I am particularly pleased to read that people thought radio and posters were among the best ways to relay voter education messages. These are a major component of our program. I intend to take the report with me when next I meet with the organizations (in the Eastern Cape and Northern Province) both to encourage the ones who are going in the right direction and hopefully inform those who want to do the same old thing."*  
*Joe Baxter, Chief of Mission, IFES*

The focus group initiative also had an impact in building the capacity of NDI's subgrantee, Street Law. Through the subgrant, Street Law is seeking to develop its ability to conduct focus group research, hopeful it can generate revenue to sustain its other democracy education initiatives and decrease donor dependence. During mid-November, two Street Law staff members traveled to Washington D.C. to participate in an intensive two-week long study program to develop their skills. The program was divided into two components: a training segment at the RIVA Training Institute, a well-regarded political research training firm just outside Washington, and an attachment period at two professional survey research firms. At the RIVA Institute, participants received intensive training in focus group moderating techniques, data analysis, report writing skills and business planning. With these newly acquired skills, Street Law participants were able to think through a development plan for the qualitative market research unit of the Centre for Socio-Legal Studies (Street Law's parent organization) and create a mission statement as well. During the attachment segment of the study program, participants witnessed how the techniques they had learned at the RIVA Institute are implemented in real-life business situations. Following the RIVA training Street Law was able to take more ownership of the focus group research. While the voter education research was conducted jointly by NDI and Street Law, the traditional leadership research that took place in February (Eastern Cape) was handled almost exclusively by Street Law. In fact, sufficient capacity has been developed in recent months to the extent that Street Law is now undertaking to draft the research

reports.

#### **IV. PROGRAM DEVELOPMENT**

*This section summarizes ongoing projects in which substantial activity took place during the reporting period but is not yet complete.*

##### **NCOP**

- ? Public Participation: NDI is assisting the NCOP in examining ways to increase public participation within the House. Starting first with a study of the nine provinces and a follow-up workshop with key stakeholders to be conducted in July, the NCOP leadership plans to table a report in the new sitting of the NCOP with recommendations for opening public participation channels. As of this reporting period, five of the nine provinces were surveyed.
- ? NCOP Information System: By late May, the NCOP will have a “live” internet-based information management system that includes a web page with detailed information for the public about the names, committee assignments and contact information of NCOP members; committee schedules and minutes, and pending legislation. For the first time, a member of the public will be able to use electronic technology to track a bill through the process, from the policy (white paper ) stage to final passage. Critical to the internal operations of the NCOP, the system includes a pro-active communication protocol for provincial legislatures, that will, for example, notify provincial parliamentary staff and members about changes to the schedule. This will improve the coordination of provincial delegations to the NCOP and save money by eliminating wasted travel from the provinces to Cape Town. A launch of the system is expected in late June.
- ? Orientation: NDI has worked extensively with the NCOP in preparing for the orientation of its new members, including technical assistance in preparing the three-day program current scheduled for June 28-30) and coordinating publication of an NCOP manual. Based on the quality of the publication, NDI has also been asked to contribute material to the National Assembly as well.
- ? Oversight: To assist the NCOP in exploring effective methods for conducting legislative oversight, NDI is working on two activities expected to culminate in the drafting and tabling of a report in the new NCOP. They include an international comparative study of oversight methods used in other legislatures around the world and an assessment of current oversight activities at provincial and NCOP level. The assessment, which is partly funded by a USIS grant to the NCOP, will be conducted by two US oversight experts -- one a state legislator and one a state legislature staff person -- and a leading South African academic. Professor Christina Murray, of the University of Cape Town, is well recognized for work in drafting aspects of South Africa’s constitution and producing a landmark study on the NCOP. The assessment is meant to take place in May.

##### **SALGA**

- ? Organizational Development: NDI has collaborated with SALGA to develop a performance

management system for the organization as a whole, each department and each staff member. Working with Simeka Consulting, SALGA staff are engaged in a participatory process of developing the management system. Between March and May, Simeka, a consulting firm with extensive public sector experience, will have facilitated workshops, provided training and assessed future staff training needs. The system should be completed and in place by June.

- ? Policy and Advocacy: NDI has targeted activities designed to assist SALGA in expanding its capacity to contribute to government policy and legislation. During this reporting period, NDI conducted an international comparative study with case studies on how local government organizations around the world manage their policy and advocacy activities. The study includes a review of associations in the US (four), Brazil, the Czech Republic and Mexico. It also examines the experiences of a handful of South African NGOs, to provide the context of the situation here. That study will be complete in May, and used as a basis for decision-making within SALGA on how to structure and coordinate policy, advocacy and research within the organization.

## **DCD**

- ? Constitutional Handbook: Extensive efforts have been made to draft the constitutional handbook for cabinet ministers and members of provincial executive committees. Working with Constitutional Concepts, NDI and DCD are attempting to produce a user-friendly and practical guide to assist newly elected executive officials in understanding the Constitution. The handbook should be complete in mid June.
- ? Traditional Leadership: During this reporting period, NDI continued work on an international comparative study on traditional leadership in 10 countries and focus group reports on research in the Northern Province, Free State and Eastern Cape. This information is meant to form part of a “status quo” report being produced by DCD on traditional leadership in South Africa in May. This status quo report is the first stage in producing a white paper and will eventually lead to legislation. The focus group findings indicate that most respondents viewed traditional leaders to be very important in South African society and that traditional leaders and government, particularly local government, should maintain amicable interaction. However, responses varied concerning the most appropriate role for traditional leaders in the new democracy. A majority of respondents opined that a more cultural, ceremonial role complementing the local government affairs would be most appropriate.
- ? IGR: NDI worked with DCD in preparing the next two publications for the occasional IGR series. Those included the Department’s discussion document on IGR and the report of a March national conference on IGR organized by DCD. The next publications are expected in June.

## **ETHICS**

- ? During this reporting period, substantial effort was made to lay the groundwork for renewed NDI

assistance in the area of ethics and anti-corruption. Based on NDI's work on parliamentary codes of conduct and the 1998 legislation on ministerial ethics, NDI was invited by the Ministry of Justice to consider playing a supporting role in the national government's Anti Corruption Strategy. Since January, consultations have taken place between NDI and the Ministry of Justice, the Public Protector's Office, the Public Service Commission and several organizations outside government. As a result, NDI is currently conducting a review of the Office of the Public Protector with respect to other anti-corruption agencies in South Africa and similar bodies that exist worldwide. This study will be complete in July. In addition, NDI is planning to conduct focus group research on perceptions of corruption among civil servants and the public at large and to assist the Public Service Commission in conducting provincial workshops to increase understanding of ethics and anti-corruption. Lastly, NDI is discussing with the Minister of Justice possible assistance to the international anti-corruption conference to be held in Durban in November.

## **SUBGRANTS**

- ? University of the Western Cape, School of Government: This subgrant on intergovernmental relations was renewed in December for a year at an amount of US\$50,000. In addition to continued support to government, a priority this year will be on building the capacity of UWC to teach IGR. Activities will include the development of a Reader on Intergovernmental Relations, to be used by South African students, academics and government officials nation-wide as a foundation document for Intergovernmental Relations.
- ? University of the Western Cape, Legislative Training Programme: The LTP focused most of its efforts during the reporting period on production of an induction manual for new members of parliament and provincial legislatures. NDI also initiated a dialogue with LTP and internally to determine whether funding should continue when the grant expires June 30. It is likely that funding will be terminated at that time.
- ? University of Natal, Street Law: NDI and Street Law have worked very successfully on focus group initiatives on traditional leadership and voter education. In addition, Street Law has begun building the capacity to manage these research projects. In May, the subgrant will expire, and it is expected to be extended for 14 months with approximately US\$70,000 in funding.

## **ELECTIONS**

- ? International Conference: NDI is assisting the Independent Electoral Commission in identifying and covering costs for a US former governor or member of congress to speak at an April conference on free and fair elections.
- ? NDI Volunteers: NDI staff are planning to volunteer their services to the IEC for approximately two weeks around elections.



## **V. PROGRAM MANAGEMENT**

During this reporting period, significant steps were taken to improve the programmatic, administrative and financial workings of NDI's operations in South Africa. In addition, efforts were made to cut costs by reducing staffing levels and telecommunications.

To improve programs and build the capacity of staff, consultations were conducted on issues key to NDI's program in South Africa. Those included January consultations with NDI's DC-based governance team by Program Director Erin Martin and Program Officers Julie Hughes and Kevin Patrick, as well as with officials from the US Congress, USAID, US Government Office on Ethics, and Center for Budget Priorities. Those consultations centered on ethics and legislative oversight. In addition, a two-day workshop was conducted for all NDI staff in the Southern Africa region to trade information and exchange experiences in the field of local government. Ms. Martin attended along with Program Officers Raymond Schuller and Sheila Oh. In late March, Ms. Martin, Mr. Schuller and Program Officer Foster Mijiga attended a global NDI conference on civic programs held in Cape Town. To assist staff in avoiding incidents of crime, all staff attended a one-day security course November 16. In addition, Ms. Martin took part in quarterly directors' meetings for NDI's Southern Africa program directors in October and February. Regular staff meetings were held during the reporting period.

Improvements were made to NDI's administrative and financial operations during the reporting period. Those included developing and installing a new financial management system and moving the NDI Johannesburg office to a safer, more appropriate location in Parktown. The new accounting system, based on Quicken 99, allows for more efficient and detailed records of all financial transactions. In addition, it enables NDI to more accurately track spending according to program area. NDI/Washington staff installed the program and provided training to Finance Manager Lesley Steyn and Finance Assistance Thuli Nkosi. Following a decision by the South African Revenue Service in mid 1998 to withdraw NDI's tax-exempt status, the Institute followed SARS' suggestion that it re-apply for classification as a "vendor," enabling it to receive VAT rebates on certain expenditures. As of the close of the reporting period, SARS was still reviewing the application.

In an effort to absorb the 28 percent funding cut that came as part of the August 1998 USAID grant extension, NDI took steps to reduce spending by eliminating staff positions and reducing overall operating costs such as telephone. As part of the staff reductions, two program officer positions (one in DC and one in Johannesburg) were eliminated along with three South Africa-based administrative positions, leaving the total staff contingent at 14. In addition, NDI terminated its policy of covering cell phone costs for staff with the exception of three positions: program director, IT program officer (who is based in Parliament and does not have regular access to a phone) and driver.

## **V. RELATIONS WITH USAID**

During the reporting period, NDI continued to maintain a very strong and open working relationship with USAID, primarily through regular liaison with Democracy and Governance Officer Diane Hibino. These regular meetings also included briefings by Ms Martin and NDI Regional Director Patricia Keefer with incoming Mission Director Stacey Rhodes, and incoming D/G team leader Beth Hogan. In addition, NDI participated in meetings with visiting USAID/Washington colleagues including Assistant Administrator for Africa [CHECK TITLE] Vivian Derryck and Assistant Administrator for the Global Bureau Sally Shelton Colby.

NDI participated in a “partner’s meeting” with USAID in October that provided a constructive forum to meet with other grantees and contractors to discuss ways of improving the working relationship with USAID. NDI also attended a presentation of USAID’s democracy and governance strategy on November 20 in Edenvale, outside Johannesburg. Subsequently, NDI shared its perspectives on the proposed strategy through a letter to the Mission and discussions with Mr. Rhodes, outgoing D/G team leader Steve Brent and Ms. Hibino.

During the December/January consultations to Washington. Ms. Keefer met with Jennifer Windsor of USAID’s global bureau.

## **VI. WORKPLAN FOR APRIL 1 - SEPTEMBER 30 1999**

The attached work plan outlines activities that NDI expects to undertake during the reporting in cooperation with its major program partners, including the National Council of Provinces, the Ministry for Constitutional Affairs and Provincial Development and the South African Local Government Association.